

**BUDGET, FINANCE & INVESTMENT COMMITTEE**

**June 9, 2009**

**7:00 P.M.**

**Courthouse**

**PUBLIC HEARING  
MINUTES**

Members Present:

Comm. Bob Bullen  
Comm. Joe Frank Jernigan  
Comm. Will Jordan  
Comm. Robert Peay, Jr.  
Comm. Steve Sandlin  
Comm. Doug Shafer  
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess  
Comm. Anthony Johnson  
Comm. Gary Farley  
Comm. Adam Coggin  
Comm. Jeff Jordan  
Comm. Jeff Phillips  
Comm. Mike Sparks

Others Present:

Comm. Carol Cook  
Comm. Jim Daniel  
Comm. John Rodgers  
Jeff Sandvig  
Scott Broden  
Michelle Willard  
Elaine Short  
Interested Citizens

Chairman Ealy presided and opened the Public Hearing on the 2009-10 budget at 7:00 P.M. with all members being present.

Chairman Ealy introduced the County Mayor, Finance Director, Deputy Finance Director and members of the Budget Committee, and other commissioners who were present. She explained the budget process to date and how recommendations were made on the various funds.

FINANCE DIRECTOR OVERVIEW:

The Finance Director advised that the proposed 2009-10 budget included a 17.5 cents property tax increase from \$2.56 to \$2.735. She explained how the property tax rate was distributed. She also explained how much money the property tax would generate based on the assessments at the end of May. She explained the sources of other revenue besides the property tax. She advised that the total estimated appropriations for 2009-10 for all funds were \$390,464,507, and she explained how the appropriations were distributed among the various funds. She pointed out highlights of the three major funds: General Fund, General Purpose School Fund, and the General Debt Service Fund. She presented a three-year comparison for the three major funds. She explained the changes in the unreserved fund balances for the various funds. Lastly, she explained the effect of a property tax increase on residential property and commercial property.

PUBLIC COMMENTS:

Chairman Ealy opened the public hearing for public comments advising that each person would be allowed up to three minutes to speak.

Keith Cornelius, Incoming President of Rutherford Education Association  
295 Oak Hollow  
Manchester, TN

Mr. Cornelius advised that he was representing the teachers of Rutherford County. He stated that if the County Commission cut more than \$875,000 from the schools' budget, the system would stand to lose teaching positions, textbook adoption funding, growth positions, and maintenance cuts all of which negatively impacted learning and teaching. He stated that stimulus money was only a band aid approach and should not be considered in decisions by the commission. He stated that the Rutherford County School System produced some of the top test scores in the state all through the hard work and daily dedication of the classroom teachers. He stated that the school system must continue to recruit and to retain only the best teachers. He stated that the pay rates must remain competitive, and the step raises were a part of that. He advised that the step raises were a negotiated item under the Education and Professional Negotiations Act. He stated that teachers continued to do amazing things in the classroom even though the per pupil expenditures were lower than surrounding systems. He asked that the school's budget not be cut any further and to continue to equip them with the necessary tools needed to

educate and prepare students for becoming nothing less than their best and to be responsible and productive citizens of society.

Michael Snider, 813 Naylor, Lot 49, Murfreesboro, Tennessee

Mr. Snider stated that last year a property tax increase was proposed, and he spoke at the public hearing about what one dollar meant to some people. He stated that due to the crisis in the country at the present time, bills were very high. He asked where had the money in the school system gone. He asked what the rainy day fund was being used for. He stated that cell phone towers were being located on school property, and he asked what the money was being used for, and if it was being used to give teachers raises. He stated that once residents paid federal taxes, state taxes, city taxes and county taxes that was enough, and he asked what people were suppose to do. He stated that citizens wanted a good education system. He stated he had a problem with sitting on funds and not using them.

Jerry Norman, 2523 English Hill Drive, Murfreesboro, Tennessee

Mr. Norman stated that he had done some research regarding the 40% assessment on commercial properties. He stated that he questioned the appraisal for apartment buildings. He stated when you compare an acre of property for a single family dwelling to an apartment building there were approximately four children per acre coming from an apartment building. He stated that in other areas, apartment buildings were paying an average of 91% on the assessments instead of 40%. He stated that apartment buildings were not carrying their fair share of the tax load. He stated that for people who own apartment buildings, the net profit was 17%. He stated that there were hardly any businesses in Rutherford County that made a 17% net profit. He stated that if someone owned an apartment building, and it was fully rented, they were very profitable. He asked if the percentage that apartment buildings paid could be increased.

Clarence Jaeger, 2418 River Oaks Drive, Murfreesboro, TN

Mr. Jaeger stated that he was opposed to any property tax increase. He stated when he moved to Murfreesboro in 1986, there was very little government control. He stated that at that time property rights were with the people, and people were allowed to carry out their visions of how they wanted to build and where they wanted to build, and the type of construction they wanted to use. He stated that now the people in the county had lost their property rights. He stated that the rights have gone to planning commissions, and the planning commissions were taking all of the revenue that would be available to cover legitimate county expenses. He stated that property rights should be restored back to the people.

Alicia Cothron, 104 Irish Place, Smyrna, TN

Ms. Cothron stated that she had the pleasure of teaching in Rutherford County. She stated that she was representing, not only the children in Rutherford County, but her own child and herself, as a teacher. She stated that it was her opinion as a teacher and as a parent, that Rutherford County schools set the bar. She stated that the Rutherford County school system was one of the best in the state, not only in academics but in athletics, as well. She implored the county to continue to help them to set the bar, and she stated the she hoped the school board and the county could continue to work together. She thanked the commissioners for their hard work.

Jeff Sandvig, Assistant Superintendent, Rutherford County Schools  
155 Chesterfield Drive, Murfreesboro, TN

Mr. Sandvig commented on the School Board's fund balance. He advised their legal requirement for the fund balance was three percent. He stated that in recent years 4 ½% to 5% was the highest it had been. When the fund balance had been more than that, the

board had transferred the money primarily toward capital projects and had been able to lessen some of the borrowing.

Spencer Bryson, 351 Sam Ridley Parkway, Smyrna, TN

Mr. Bryson stated that whatever was decided about funding in Rutherford County that the students should be considered first and foremost. He stated that many teachers were working toward their Masters Degree and other professional degrees. He stated if teachers did not receive a pay increase for a higher degree, he believed that could affect morale.

Latasha Anderson, 1106 Thompson Farms Street, Lascassas, TN

Ms. Anderson stated that she was at the public hearing on behalf of the Rutherford County education system, as well as the homeowners, because she just closed on her new home on Friday. She stated that she heard on Saturday that a property tax increase was being discussed and also that there was going to be a freeze on step increases for teachers. She stated that she had also worked in the Orange County, Florida system, and they had teachers who were not educated to be teachers. She stated that school system was pretty bad. She stated it was due to the morale, and due to the pay increases not being good enough. She stated that she loved working in the Rutherford County School System. She stated that the teachers' morale needed to be kept high. She stated that step raises and property taxes affected everyone.

Jerri Birkofer, 422 Majesty Drive, Murfreesboro, TN

Ms. Birkofer stated that she was a teacher at Central Middle School, and that Central was a fabulous school. She stated that the Rutherford County School System was outstanding, and a lot of the tax revenue came from increased revenue in home sales. She stated that people were flooding to Rutherford County because of the school system. She stated that the school system needed the revenue and the funding.

Comm. Sandlin told the audience that when the County Commission approved a budget, it was up to the School Board and the Director of Schools as to how the funds were spent. He stated that he did know where the information came from that the teachers were not getting raises, because the Budget Committee did not vote on that. He recommended that the teachers talk to their school board members or the Director of Schools. He stated that the Budget Committee did not cut any raises, step raises or any line items, and that the school system would be receiving increased funding.

Chairman Ealy advised that the Budget Committee had additional meetings scheduled for June 15, June 16, and June 24 at 5:30 P.M. The final meeting to adopt the budget is June 26 at 9:00 A.M.

ADJOURNMENT:

There being no further comments made, Chairman Ealy declared the public hearing closed at 7:30 P.M.

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Elaine Short, Secretary